

## P R E F A C E

This Report of the Comptroller and Auditor General of India for the year ended March 2010 containing the results of the Performance Audit of the “Fertilizer Subsidy” has been prepared for submission to the President of India under Article 151 of the Constitution.

The Performance Audit was conducted between June 2009 to March 2010 through test check of records of the Department of Fertilizers, Fertilizer Industry Coordination Committee and Directorates of Agriculture of the 24 State Governments, as well as field survey of fertilizers dealers and farmers. The period covered under the audit was 2003-04 to 2008-09. To ensure that the observations made by audit are objective and are drawn up after the audited institution is given sufficient opportunities to respond to these observations, we have fine tuned our audit methodology to ensure at least two interactions with the Department concerned to apprise them of our findings. Such opportunities are also designed to obviate any reservations on part of the concerned department which would make them feel that their view point was not incorporated in our findings. Invariably, where we disagree with the clarification provided by the Department, we reflect their view point also in the Report.

While every effort is being made to ensure total transparency and a well balanced approach, we are constrained to point out that in the course of this Audit while the Principal Director of Audit forwarded the draft Report to the Secretary, Department of Fertilizers on 1.12.2010 seeking his comments and also seeking an Exit Conference, the letter was not replied to. Subsequently, the Principal Director of Audit addressed the Secretary, Department of Fertilizer again on 25.2.2011, stating that the comments of department are still awaited. He also reminded the Secretary to indicate a convenient date for the Exit Conference. Unfortunately, even this letter went unheeded.

It is for the Parliament and the Public Accounts Committee to judge whether Government Departments should continue to display such low priority to Audit Reports.